

lung, and liver transplants. Hospitals must apply for certification to perform each type of transplant and receive Medicare reimbursement. There are approximately 160 hospitals across the country which hold such contracts.

We seem to be under the impression that because we have approved these facilities, all of the items in their bills to Medicare are justified. But this is not the case; hospitals add on approximately 25 percent of an imported organ's acquisition cost to cover a portion of administrative and general overhead costs, such as laundry, housekeeping services, rent, and utilities. This add-on system cost Medicare \$22 million in 1995.

Let me back up for a moment and put this in context. Under the diagnostic related group [DRG] system, Medicare pays hospitals a set rate for each type of injury or illness. The DRG payment covers all items and services provided by the hospital to the patient, and includes an allocation for overhead associated with each service rendered. Organ acquisition is covered separately from the DRG for organ transplants. In this case, Medicare separately reimburses transplant centers for the acquisition cost of each organ. It is this cost to which hospitals make the add-on. The problem lies particularly with cases in which the organ is imported from an organ procurement organization.

Mr. Speaker, I do not mean to imply that hospitals have acted inappropriately. It is normal practice for hospitals to distribute their overhead to cost centers which are not covered by DRG's. Indirect costs are allocated across the board to all possible cost centers. However, the DRG for organ transplantation already includes an allocation for overhead. Since no medical service is associated with simply acquiring an organ from an outside agency and then billing Medicare for the organ, adding a portion of unrelated administrative and general costs is unreasonable.

For example, if acquiring an organ cost a hospital \$10,000, Medicare would be billed that amount plus an extra 25 percent, bringing the total to \$12,500. This process bleeds the system of millions every year by charging Medicare more than its share of the overhead costs associated with transplants. The 25 percent add-on is not associated with medical services to the patient, nor administrative or general services other than billing Medicare. If we allow this practice to continue, Health and Human Services estimates suggest that this will cost Medicare as much as \$35 million in 1999.

The bill would amend title XVIII of the Social Security Act to provide for savings in the Medicare Program by reducing overhead payment for Medicare transplant centers. It states that hospitals may not allocate their general or administrative costs to the acquisition cost of organs imported for transplant as they determine costs to be reimbursed by Medicare. This is a bill to improve the efficiency of the Medicare Program, an objective I believe we all would like to accomplish.

## CONGRATULATIONS TO COMMAND SGT. MAJ. JOSEPH C. TAITANO

HON. ROBERT A. UNDERWOOD

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 4, 1996*

Mr. UNDERWOOD. Mr. Speaker, I would like to take this occasion to commend and congratulate Command Sgt. Maj. Joseph C. Taitano of the Guam Army National Guard on his distinguished career and his well-earned retirement. A 30-year veteran, Command Sergeant Major Taitano served in Vietnam and in the Persian Gulf.

Born in the village of Tamuning, he is the son of Henry and Josephine Taitano. He grew up in the village of Dededo and attended George Washington Senior High School. Upon graduating in 1966, he enlisted in the Army where he rose from the ranks. Serving in various leadership positions ranging from squad leader to command sergeant major, Command Sergeant Major Taitano holds the distinction of being the only soldier to have served in all of the Army's components in the sergeant major position. His assignments included tours of duty with the 101st Airborne Division in Vietnam and the Army Central Command/3d U.S. Army in the Persian Gulf. He was also stationed at a number of locations prior to being assigned to the Guam Army National Guard.

A host of awards and decorations were conferred to him during three decades of service. They include, among others, two Bronze Star Medals, five Meritorious Service Medals, five Army Commendation Medals and an Army Achievement Medal. Aside from attending the University of Guam, Command Sergeant Major Taitano received a wide range of formal military and technical training. He also completed numerous leadership courses including the Command Sergeant Major Course.

After 30 years of distinguished and dedicated service, Command Sergeant Major Taitano has chosen to retire from the Army in order to spend more time with his family. In addition to the great contributions his military career has made toward the strength and security of this Nation, Command Sergeant Major Taitano's achievements have undoubtedly brought pride to the Island of Guam and its people. He is a role model; he is a leader; he is a great representative of his island home.

I join his parents, Henry and Josephine Taitano, who, together with his children—Nolan, Samantha, Neal, Sophina, and their mother Elizabeth—are proud to celebrate his great accomplishments. On behalf of the people of Guam, I congratulate Command Sergeant Major Taitano. I hope that he enjoys his well-earned retirement and wish him the best in his future endeavors.

Si Yu'os Ma'ase' CSM Taitano.

## NATIONAL MARINE SANCTUARIES PRESERVATION ACT

HON. SOLOMON P. ORTIZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 4, 1996*

Mr. ORTIZ. Mr. Speaker, I rise in strong support of H.R. 3487, the National Marine

Sanctuaries Preservation Act. This bill contains language I introduced in the Committee on Resources to amend the boundaries of the Flower Garden Banks Marine Sanctuary in the Gulf of Mexico to include a nearby area known as Stetson Bank. The Flower Garden Banks Sanctuary was established by Congress in 1992, and has been a model for the National Marine Sanctuary Program. It is located 120 miles off the Texas coast and protects the northernmost living coral reefs on the U.S. Continental Shelf. The Sanctuary Program has demonstrated our ability to preserve and protect valuable marine resources, such as the coral reefs of the Flower Garden Banks, while sustaining the important multiple uses of the surrounding marine environment.

Stetson Bank is a small coral bank approximately three-quarters of a square mile in area. Currently, it is a no activity zone under Mineral Management Service regulations which prohibit exploring, developing, or producing oil, natural gas, or minerals. Stetson Bank provides habitat for a spectacular array of fish and invertebrates and is a feeding ground for manta rays, whale sharks, and spotted dolphins.

These resources have made this area a popular destination for sport divers to spearfish and collect shells; activities which have resulted in depletion of the natural resources and severe anchor damage to the coral formations. These effects have led local scientists and sports diving groups to request inclusion of Stetson Bank in the protection and preservation measures of the Flower Gardens Bank Sanctuary. This will help ensure these valuable resources will be preserved for future uses.

I would like to thank Chairman YOUNG, ranking member MILLER and their staffs for their help bringing this bipartisan legislation to the floor. I would also like to thank the petroleum industry representatives for their help. I believe this is a piece of legislation that will add to the economic and ecological riches of the gulf, and I urge the support of my colleagues.

## TRIBUTE TO PASTOR L.M. THORNE

HON. JOE SCARBOROUGH

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 4, 1996*

Mr. SCARBOROUGH. Mr. Speaker, I rise today to pay tribute to a man of great commitment and devotion, Pastor L.M. Thorne. For over 30 years, Pastor Thorne has spread God's word to countless individuals while enriching the lives of those who know him. He is truly an inspiration to us all.

Pastor Thorne committed himself at a very young age to spreading the Gospel of the Lord. His formal training began at the Southeastern Bible College in Lakeland, FL, where he received a bachelor of theology. He then went on to earn a doctor of divinity at the Christian International University.

Pastor Thorne established the Abundant Life Church in Fort Walton Beach, FL, and Samson, AL, in the mid-1970's. The Fort Walton Beach church boasts an extremely active congregation of over 500 families, active not only in the local community, but across the Nation and abroad as well. Abundant Life has sent numerous missionaries to the foreign